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November 17, 1958

Dear Senator Douglas:

I wish to thank you for your thoughtfulness in bringing to our attention the article about Libya which appeared in The Wall Street Journal on August 25 and the comments of Abdul Qader Aly el Allan, a Libyan national, on certain points raised in the article.

It is gratifying to know that such prominent Libyans as el Allan view objectively the purposes and extent of the aid which our country is giving to Libya and that they find our point of view reasonable and helpful.

You may be interested to know that el Allan is a Libyan of considerable stature, having been Minister of Defense and later Minister of Communications in the Libyan Government in 1957. I am confident that el Allan's views are shared by other responsible Libyans.

Again thank you for sending me the newspaper article and comments of Mr. el Allan and for your interest in this matter. I have taken the liberty of sending a copy of your letter from Mr. J. Peter Smith and its enclosures to the appropriate officials in ICA, who I know will also be interested in Mr. el Allan's remarks. I am returning the original of Mr. Smith's letter to you.

Sincerely yours,

William B. Macomber, Jr.
Assistant Secretary

Enclosure:

Letter from Mr. Smith.

The Honorable
Paul H. Douglas,
United States Senate.

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Nov. 12, 1958

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United States Senate

COMMITTEE ON BANKING AND CURRENCY

November 4, 1958

180 x 2152

The Honorable John Foster Dulles
Secretary of State
Department of State
Washington 25, D. C.

Dear Mr. Secretary:

I am taking the liberty of forwarding for your consideration a letter which I have received from a Mr. J. P. Smith, presently employed in Libya, which attaches a very interesting comment by a Libyan, Sayed Allam. I hope that it is helpful, and I should be interested if you have any comments.

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Allam, Abdul Gader Aly El

Sincerely,

Mary Nolan

Mary Nolan
Executive Secretary to
Senator Paul H. Douglas

MN:LCh

Enclosure

Miss Nolan asks that the reply be addressed to the Senator.

Letter and enclosures, if any, microfilmed by RM/R
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Tripoli, Libya.

October 29, 1958

Honorable Paul Douglas
Senate Office Building
Washington D.C.
U.S.A.

Dear Senator Douglas,

We as American people are taking an unprecedented step in history in our effort to aid undeveloped countries. Our efforts sometimes seem to be misdirected, and in moments of doubt, we often wonder if our money is being wasted.

As an employee of an American oil company, I have lived in Libya since June, 1957. Being in a position of not "seeing the forest for the trees", I often wonder about the wisdom of our spending. When the enclosed article (1) appeared in the Wall Street Journal of 25 August, it made many of us feel that perhaps the Foreign Aid Program was in vain. However, after it was reviewed by a Libyan friend, who has set out his comments in Article 2, I have taken an entirely different view. Sayed Allam is a very capable and sage gentleman as his comments reveal.

I thought these two articles would perhaps give you little insight into the crux of problem of aiding the Arabs who I have learned to know during my short residence in Libya.

J. Peter Smith

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October 18th, 1958

I have read an article on Libya published on August 25th, 1958 by the Wall Street Journal and as a private citizen of Libya wish to make a few comments.

The writer of the Article seems to have sincere interest in the subject as he touched many aspects of Libyan life, but apparently he had a very short stay in this country, as is shown by the fact that some information in the Article requires correction.

It is true that Libya has received considerable aid from the United States of America which helped to develop and carry out many projects, such as maintenance and construction of roads, dams, building of new schools, agricultural experimental stations, livestock centres, hospitals, power stations and also the Libyan Radio Station is financed by United States aid.

The British financial contribution is made available according to the Libyan-Anglo Treaty and is principally used to cover the deficit in the normal annual budget. This aid was reduced by £1m last year, but was made up by aid from the U.S. 1 million pounds

The people of Libya give high recognition to this assistance and are grateful to the United States and relatively British taxpayers. We realize that such assistance is essential for the economic development of our country, but only so long as we continue to be masters of our own destiny. The Libyan people do not and would not understand nor condone any type of assistance designed to drive the people one way or another against their will.

King Idris is a very popular and strong leader, not because he is backed by police or British forces, as the writer of this Article in the Wall Street Journal indicates. He, at the head of the people, fought for the independence of this country for nearly forty years and by inheritance is the spiritual leader of the Libyan people, and as a good religious Moslem Imam believes in democracy and leads his country with great wisdom towards stabilization and prosperity. It is true that the King is over sixty years of age, but He is healthy, energetic and knowledgeable. His appointed successor, Crown Prince Hassan Rida, the progressive leader of the youth movement in Libya enjoys the confidence of the people and is sincerely looked upon by the Libyans, who know him, as a great hope to provide continued strong, sincere and intelligent leadership.

The fact that a visitor would see the protrait of Nasser often in the shops is not surprising. After all Nasser has established himself as an Arab hero. He has been trying hard to achieve good progress for his country and it is only natural that we, as Arabs, have for this man great sympathy and respect. Actually we admire every man who takes real sincere interest in his people. This does not however indicate that in any way Libyans are prepared to hand over their country to any hero's command. We wish the people of United Arab Republic and President Nasser personally every success and we advocate a policy which we believe leads to the strengthening of Arab states as we are great believers in Arab cause, but we believe in Libya first and are firmly decided not to allow it to become the tail of anyone or any one nation.

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The establishment of Radio Libya was never intended to compete with Radio Cairo. Our radio is intended to provide the Libyan people with their own sources of entertainment and information based on their own culture. I can say this because I was extremely familiar with the project when it started operation in July, 1957. At this early date it would be unusual not to hear criticism of it. Its "on the air" time is still too short and its programing cannot pretend to be perfect, but sincere efforts are being made towards its improvement.

The low-price radio set was a scheme aimed at giving the poor country men, far from town, a chance of listening to the news at little expense. Naturally, with one Libyan pound no one can expect to possess a radio set that would take every station, but the fact that the frequency selectors should exclude Radio Cairo only, is incorrect.

The writer of the Article says in one paragraph "King Idris, strongly pro-Western, forbids oppositions, shuts up newspapers when they criticize Western aid functionaires, etc." and in another paragraph of his Article the writer says "Libyans, forbidden to criticize their Government, are swinging freely against these foreign oil enterprises and at American aid efforts as well." There is an evident contradiction. We admit that we do not have the necessary background, experience and firm traditions of newspaper editing, but yet freedom of thought is granted by constitution and our young papers act freely and attack the Government and every aspect of Libyan life when they deem it necessary. It can also be admitted that some papers' attacks are unwarranted, but one thing is sure and that is that the great majority of editors and writers in Libya act in good faith and aim at the sole interest of Libya. The people here appreciate the efforts of American Oil Companies in contributing towards the economic improvement in this country, as well as other American aid. The Bill of Protection and encouragement of foreign investment in Libya passed recently by Parliament is an indication of the feeling of this country in this respect. Actually, the huge amounts of money spent here by oil companies, the enormous manpower engaged by them, in addition to the better future expected when oil is discovered in commercial quantities, are beneficial factors not overlooked by the Libyan people, despite what the weekly "El Zaman" of Mr. Lashab may have said.

Unfortunately, we have no means of judging the value of the statements made to the writer of the article by people in Libya, such as "We should wait until we find lots of oil before joining up with Nasser;" "Now the people think the Government is trying to trick them;" "We cannot understand why the Government is trying to get rid of them (Egyptian teachers)" and so on. We do not know who made these statements. However, dissatisfied people exist everywhere, but usually the comments of few people are not construed to mean that the country is in for a drastic policy change.

American Technicians and Experts in Libya are here to advise Libyan officials who are free to accept, adopt or refuse the advice in the interest of Libyan people. The Advisors have no direct control in the field of education, except a few vocational schools which - to my understanding - go on very smoothly and are progressing to the satisfaction of educational authorities in this country. The policy-making body is the Libyan Government.

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We may lack experience and make mistakes sometimes, but yet we are the masters of our own country.

Our advisors and helpers are thanked for their efforts, but they keep out of decisions of any sort. It is true that young Libyans want to achieve quick progress and that people in general want compensation for the long period spent under foreign rule, during which time no truly Libyan development was possible. However, one cannot but disagree with the assertions that Libyans discount much of agricultural projects. Out of the 1,300,000 people of Libya, only 300,000 live in cities. A good portion of the latter own farms in the country. The other 1,000,000 depend mainly on agricultural and livestock production for their livelihood. It is illogical therefore to say that Libyan people discount agricultural development projects.

The communication projects are also essential owing to long distances separating the three provinces of Libya. Yet it may be argued that their execution may be deferred and precedence given to more vital schemes. This however is a case of judgment by the Libyan officials establishing development policy for the country.

To end my comments on this Article, I would like to say that I share the Wall Street Journal writer's view in respect of superiority of Eastern methods of propaganda in this country. The explanation may lie in the negativeness of Western methods as compared to a very dynamic positive Eastern approach.

Abdul Gader Aly El Allam

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Losing Libya?

Hefty U.S., British Aid Fails to Halt Drift Toward Nasser

Stronger Economy May Spur UAR Merger; Yank Role In Schools Irks Students

Screening Out Radio Cairo

By George E. Williamson
Staff Reporter of The Wall Street Journal

TRIPOLI, Libya—While world attention has been focused on Iraq, Jordan and other Arab nations to the east, this nation has been quietly drifting toward Nasser.

This drift is continuing despite hefty helpings of Western aid. The United States and Britain so far have spent over $140 million in this seven-year-old North African nation bounded by Egypt on the east and by Tunisia and strife-torn Algeria on the west. The aid contributions of the two Western partners account for a good part of Libya's national income every year; the total amounts to over $100 for every man, woman and toddling child in the population. The U.S. has a hand in the nation's educational system, is building dams, power plants, roads, communications lines, and investing $2.5 million in a radio station to compete with popular Radio Cairo.

Furthermore, King Idris is strongly pro-Western. Backed by tough police and British troops, he forbids organized opposition, keeps a tight lid on demonstrations, and shuts up newspapers when they criticize Western aid functionaries too vehemently.

Thus, on the surface, it would appear that, if the cards ever were stacked in favor of the feat against the U.A.R., it would be in Libya.

Pictures in the Stalls

But take a stroll, if you will, through the labyrinthine Arab bazaars of Tripoli. In the rows of tiny stalls jumbled with textiles, rugs and silver, the visitor sees a portrait of Nasser in nearly every shop. Some display full series of photos showing his life from childhood to president. Jewelry counters are jammed with rings bearing his beak-nosed visage.

At the two universities, in Tripoli and Benghazi, the students are strongly pro-Nasser. They complain bitterly about American intervention in the school system. Even the Libyans employed by the U.S. aid group, to supplement the 200 American officials here, include more than a few Nasserites. A larger number occupy key positions in the Libyan government's own bureaucracy.

Such facts raise serious questions as to just how long the West can keep Libya out of Nasser's camp. Britain demonstrated its fears on this score at the time of the Iraq revolt last month by swiftly reinforcing its troops in Libya. Chances of a coup are reduced, of course, as long as the British keep large troop concentrations on the scene.

There's considerable doubt as to whether teachers in Libya organized a protest strike. And a topic for themes assigned in Libyan high schools last year was, "Why is Hussein (King of Jordan) a traitor?" An exam question last winter instructed the students, "Write 50 words on the rigged elections in (then pro-Western) Iraq."

But the active role of the U.S. in the schools, with salaries to the imported pro-Western teachers so high they are almost equal to the foreign minister's pay in this backward kingdom, is raising a storm of criticism. "We have a deep traditional admiration for Egyptian culture, and we know they have good teachers," says a young Libyan, "so we can't understand why the government is getting rid of them."

Another U.S. cultural effort—the radio station—is coming in for its share of grumbles. So far the Libyan station broadcasts only four hours a day. It will take years to train programmers, much less performers, to rival the stars on Radio Cairo, which blasts away 24 hours a day. Most people say the local station's programs are "too dull." "We only listen to it for local news," comments a Benghazi store clerk.

There's a scheme afoot now to manufacture a low-price radio whose frequency selectors will not take in Radio Cairo. This proposal, whose costs would be underwritten by U.S. aid funds, was meant to be a secret. But it has leaked out through officials, possibly pro-Nasser ones, of the Libyan government. "It's a bad move," says one local business man. "Now the people think the government is trying to trick them."

A Phone Network

Not all American funds are expended so obviously in the anti-Nasser drive. Some $11 million is being spent for an ultra-modern "troposphere scatter" telephone network involving over-the-horizon microwave transmission, to improve communications throughout the huge, thinly-settled country. Another $12 million is going into a new power plant in Tripoli. And $7.5 million is budgeted for agricultural development, irrigation projects and water conservation. Tree planting, with U.S. funds, has reclaimed about 30,000 acres from the desert.

Libyans, particularly those living in the cities, are inclined to discount much of this work, particularly the agricultural projects.

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Western position if it were not for King Idris—now 68 years old. And Col. Nasser, sooner or later, seems sure to step up his efforts to win Libya. Says an American official in Benghazi: "It may start next week or next year, but I'm sure it will come."

Libya is of major military and economic importance to the U.S. At the $100 million Wheelus Field just outside Tripoli, the United States maintains one of the largest air bases in the world, to service its operations in the southern Mediterranean from Morocco to Turkey.

American oil companies, on their own, will spend about $60 million here this year prospecting for new wells. And American experts have unearthed rich deposits of iron ore in the back country mountains near Brak.

Ironically, a good many of Libya's anti-Westerners believe U.S. oil prospecting and American and British aid are good things since they will eventually enable Libya to join the U.A.R. on better terms than otherwise would be offered.

"We should wait until we find lots of oil before joining up with Nasser. We don't want him to kick us around," one Libyan bureaucrat says frankly.

It goes without saying, of course, that the discovery of oil in quantity here would whet Nasser's interest in absorbing the country into his republic. The discovery wells, the most recent at Oasis Bahr 65 miles south of the Mediterranean, have been small producers, at 300 to 500 barrels a day, compared with the mammoth production in the Arab countries ast of Suez. Yet, the prospects are so interesting that units of Texas Co., Standard Oil Co. of California, Ohio Oil Co., Continental Oil Co., Amerada Petroleum Co. and many European firms are conducting a vigorous search.

Mr. Lashab's Shafts

Libyans, forbidden to criticize their government, are swinging freely against these foreign oil enterprises and at American aid efforts as well. Take the case of Omar Lashab, who publishes the weekly "Al Zaman." He devotes many columns to diatribes against the "monopolistic, capitalistic, imperialistic" U.S. oil companies. His shafts have irritated oil men, who several times have complained to the government.

However, American policy in the schools draws the sharpest criticisms from Libyans. Italy, during its colonial administration of the country prior to World War II, practically stamped out education. When Libya became dependent seven years ago, it had less than 0 high school graduates and less than two dozen university graduates. Egypt, the only Arabic speaking nation with a large surplus of teachers, helped to fill the gap and as recently as 1956 had 500 instructors in Libya.

Now, American funds are being used in an effort to cut the number of Egyptians, who at one time accounted for 75% of the high school teaching staff. The U.S. is spending $1.1 million a year for teachers' salaries and to finance the import of Lebanese and Palestinian refugees to counteract the Egyptian influence.

During the Suez War in 1956, Egyptian

Please Turn to Page 13, Column 3

shoe factories and textile mills which would raise employment fast. "The young men, particularly, want to see some quick progress. They want to see things happen in their own lifetime," one pro-American Libyan working in the joint Libyan-American aid agency says.

The aid funds that Libya gets are in lieu of rental for the use of the land on which the U.S. air fields are located. In this way Congress has been able to keep some control over the money, to see that it's spent wisely. This infuriates some Libyans who would rather have a straight business deal, with cash coming in as direct rental on the land.

Abdel Mullah Lenghi, publisher of an English-language weekly in Benghazi, comments bitterly, "Americans who come here underestimate the intellectual capacity of Libyans."

Romans, Vandals, Turks

The importance of Libya is mainly geographical. A huge land, a third the size of the United States, it has a population of only 1.2 million, about half that of Connecticut. Stretching along the North African coast between Egypt and Tunisia and Algeria, on the West, it has been fought over since the days of Carthaginians, being occupied successively by the Romans, Vandals, Ottoman Turks and finally Italy, before it achieved independence in 1951, the first nation to be created under United Nations auspices.

King Idris, formerly the Amir of Cyrenaica, one of Libya's three states; the others are Tripolitania and the Fezzan) lived in exile in Egypt during the 1920's and 1930's, when Italian rule was toughest in Libya. He contributed troops to fight with the British in the desert war and emerged from World War II as a symbol of resistance against the Italians.

Loyalty to Idris is strong in Benghazi, and, apparently, in the whole of Cyrenaica, even from pro-Nasserites. But the king is a frail 68, and his death may create a leadership vacuum in the country. He has chosen as successor a young nephew, Prince Al Hassan Rida, not too well known throughout the country.

So far, Nasser openly hasn't made many overtures to the Libyan population. Most local authorities believe that he will turn southward to the Sudan before he bothers with Libya, to get control of the Nile River headwaters.

Bourguiba's Plans

One Mideast expert who is sure that Col. Nasser soon will turn his attentions westward toward Libya and the Arab countries along the Mediterranean is President Habib Bourguiba of Tunisia. He has asked the United States for heavy armaments and mechanized equipment to help him build a fast, mobile army similar to the Israeli force that drove Col. Nasser out of the Gaza strip. The reason reportedly is that Bourguiba expects Nasser to be on his borders within two years.

Nasser's men have been active, under cover, in Libya for some time now. In 1956, his military attache was discovered distributing weapons and was ejected from the country. Then, this year, Idris's police discovered that Egyptian arms, supposedly passing through the country on the way to Algeria, were being diverted into Benghazi. The police moved in quickly and seized the contraband. But there's a general feeling that more of these troubles lie ahead.

"Nasser can afford to wait for Libya. He's sure he'll get it," says one highly-placed Libyan official.